



Women and Youths Take Off

Summary

country	Senegal
implementer	Social Ecological Management Fund (SEM Fund)
target groups	Women and youths in the Matam region
duration	05/2022 – 09/2023
type of energy use	Other

Challenge

In Senegal, the official national unemployment rate is only 4 %. However, for women this rate stands at 22 %, and for youths it amounts to 16 %. Unemployment is particularly high in the Matam region in north-eastern Senegal. The best employment opportunities in Matam are in agriculture and forestry. In order to get women and youth into employment, a mixture of training and technical know-how as well as access to electricity and income-generating assets is needed. With the existing national power grid located far away, standalone solar PV solutions are the optimal choice in this region, which receives plenty of solar irradiation.

Impact Logic

The non-governmental organisation SEM Fund enables young people and women to start their own businesses with the help of renewable energies. The project targets 17 women's groups and 19 youth associations that are active in the town of Nguidjilone and its surroundings, which belong to the Matam region. 1,800 people benefit directly from the project, with their families benefitting indirectly. The SEM Fund's strategy is to (1) facilitate access to 26 productive solar PV systems as well as 668 solar home systems for domestic use, (2) support 26 small businesses including on employment creation and training, and finally (3) raise awareness among the general population about the importance of gender equality and women's economic independence. To achieve these goals, SEM Fund enables the selected groups to purchase solar-powered equipment

for entrepreneurial activities as well as solar home systems for private use via a layered financing structure. As soon as the party interested in purchasing an asset has paid an upfront sum of 10 % of the total investment costs, they receive a 90 % loan to be repaid over 18–24 months. The 90 % are split in a 50 % loan covered by SEM Fund and a supplier credit of 40 % that both are handled by a local microfinance institution. This model ensures that the supplier is willing to sell the asset to the remote region of Matam, as they receive 60 % upon installation, and only have an outstanding receivable of 40 %, which is further guaranteed via an agreement with the ECOWAS Centre for Renewable Energy and Energy Efficiency. After successful repayment, the loan allows other beneficiaries to access additional solar assets.

Innovative Project Elements

Access to finance and skills remain as two of the key barriers to economic development. This project addresses both elements via an innovative approach that is centred on women and youth groups. Through the layered financing structure described above, the risk for technology suppliers to sell in the remote region is reduced, while SEM Fund ensures, via a handholding approach, that the recipients are enabled to use the newly acquired assets successfully. In case of successful repayments, the approach can then be replicated further, and allows additional groups and individuals to access solar equipment.

FURTHER INFORMATION

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